

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Hull Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 4, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY19 (since the amount under the prior schedule was maintained in FY19) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.40% and the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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Alternative 2
7.40% Investment Return
4.0% Total Cost Increasing

Hull Retirement System
January 1, 2018 Actuarial Valuation

Total cost increases 4.0% per year until FY30 with a final amortization payment in FY31

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Change in</u> <u>Cost</u>
2019	1,017,579	125,000	2,764,821	3,907,400	28,364,632	
2020	1,063,370	125,000	2,875,326	4,063,696	27,511,750	4.0%
2021	1,111,222	125,000	2,990,022	4,226,244	26,477,775	4.0%
2022	1,161,226	125,000	3,109,067	4,395,294	25,244,830	4.0%
2023	1,213,482	125,000	3,232,624	4,571,105	23,793,548	4.0%
2024	1,268,088	125,000	3,360,861	4,753,950	22,102,957	4.0%
2025	1,325,152	125,000	3,493,955	4,944,108	20,150,348	4.0%
2026	1,384,784	125,000	3,632,088	5,141,872	17,911,149	4.0%
2027	1,447,099	125,000	3,775,447	5,347,547	15,358,772	4.0%
2028	1,512,219	125,000	3,924,230	5,561,449	12,464,461	4.0%
2029	1,580,269	125,000	4,078,638	5,783,907	9,197,123	4.0%
2030	1,651,381	125,000	4,238,882	6,015,263	5,523,148	4.0%
2031	1,725,693	125,000	1,414,577	3,265,270	1,406,214	-45.7%
2032	1,803,349	125,000		1,928,349	0	-40.9%

Appropriation payments assumed to be made on August 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed expenses of \$175,000

FY19 amount maintained at level of current funding schedule